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Intelligence Memorandum

Office of African and Latin American Analysis *14 February 1995*

Bolivia, Colombia, and Peru: Implications of Antidrug Decertification

Bolivia, Colombia, and Peru reportedly believe that their antidrug performance over the past year warrants full US antidrug certification.

- They argue that their cooperation with the United States in successful interdiction programs and expanded anticorruption efforts outweighs any failure to implement politically difficult eradication measures or to arrest drug kingpins.

Decertification with a national interest waiver would temporarily strain bilateral relations with all three countries but would not irreparably damage antidrug cooperation with the United States.

- ***While publicly decrying such a move, the three countries probably would continue to support joint interdiction efforts--though seeking to reduce their reliance on US support. Peru and Bolivia, however, would continue to resist the expansion of politically costly eradication efforts.***

Full decertification, on the other hand, would weaken the administrations in Bolivia and Colombia and provoke a strong nationalist backlash in all three countries, leading to reduced cooperation with the United States across the board.

- ***Bolivia's Sanchez de Lozada, facing the loss of millions of dollars in US-sponsored foreign loans and the evaporation of his slim majority in the legislature, would become less willing to support a new extradition treaty and an agreement to share seized assets with Washington, or to thwart attempts by congressional critics to soften Bolivia's tough antidrug law.***

- ***Colombia's Samper, who could face renewed allegations of drug ties, would be inclined to forego US antidrug funding, reduce--or eliminate--the US advisory role in Colombia, and pull back from other bilateral initiatives such as free trade.***

- ***Peru's Fujimori probably would view decertification as an effort by Washington to embarrass him in the runup to the presidential election and would reduce his government's contact with the United States.***

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Bolivia

Bolivia recognizes that its prospects for antidrug certification are slim but hopes to avoid full decertification--last year, Bolivia was decertified but given a national interest waiver. Since assuming office in 1993, President Sanchez de Lozada and key government ministers have repeatedly voiced concern that counternarcotics decertification would weaken their government politically and impede progress on their counternarcotics, economic reform, and good governance initiatives. The President has argued that US-threatened punishments, such as an aid cutoff or withdrawal of US support for Bolivia in international financial institutions, would be too severe a penalty for failing to meet US coca eradication targets, given domestic political costs. Recent fluctuations in his administration's antidrug policy have resulted primarily from concern about sparking renewed violent protests by coca growers.

In trying to fend off decertification, La Paz has highlighted its cooperation with Washington on narcotics interdiction (see Table 1) and promised to expedite the signing of a new extradition treaty--last month, Bolivia submitted a draft treaty to the United States for review. The administration has also cited its efforts to root out high-level corruption, including its investigations of several prominent politicians and the recent arrest of 18 naval officers charged with drug trafficking. Bolivian officials also point to politically costly efforts to control coca markets and forcibly eradicate coca fields despite violent reactions by growers in September 1993 and early 1994. The administration is also likely to argue--as it did before last year's certification ruling--that it has been moving ahead on its new antidrug strategy, the "zero option" plan, whose goal is to eradicate coca through compensation of growers and alternative crop development programs.

Sanchez de Lozada probably would view decertification with a national interest waiver as a reprieve, although the embarrassment of publicly falling short of US expectations could cause him to lose some support in the legislature. The government survived US decertification with a waiver in 1994 largely because it suffered no significant loss of international aid or loan support, allowing Sanchez de Lozada to continue to fund alternative development and other social programs. To try to ensure the continued flow of external funds, the administration probably would continue to support US-backed interdiction efforts and to pursue an extradition treaty with the United States. However, while La Paz probably would make an effort to address some of Washington's concerns over stalled coca eradication--perhaps by going after less politically-charged cultivations in national parks--it would remain reluctant to mount

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This memorandum was prepared by Office of African and Latin American Analysis, with contributions from Crime and Narcotics Center. Comments and queries are welcome and may be directed to the Chief, ALA on

an aggressive eradication campaign given the prospect of renewed violent protests from coca growers.

Decertification of Bolivia's counternarcotics performance without a national security waiver would weaken the Sanchez de Lozada administration by opening it to opposition criticism that it has failed to meet its own antidrug and good governance goals. Full decertification would increase the likelihood that some ruling coalition legislators might bolt from the government, causing the President to lose his fragile four-seat majority in the Chamber of Deputies. Although the President is not likely to make good on his numerous threats to resign in the event of decertification--primarily because his successor, the leftist Vice President, would substantially reduce Sanchez de Lozada's party's participation in the government--he almost certainly would view such US action as a personal attack. He would probably become less willing to help Washington secure a new extradition treaty and an agreement to share seized assets, or to expend political capital trying to thwart attempts by legislative critics to soften Bolivia's tough antidrug law. Because of the related cutoff of tens of millions of dollars in nonhumanitarian aid and the potential loss of multilateral development bank loans, decertification probably would also slow the administration's progress on decentralizing government, improving income distribution, and creating alternative crop development opportunities for coca growers.

Colombia

The Samper administration had expected to be certified this year and was caught off guard by the US Ambassador's comments on 27 January that prospects for Colombia's antidrug certification were not good. While administration officials have publicly played down the Ambassador's remarks and continue to assert that Colombia should be certified, they now appear to have reluctantly accepted that certification is unlikely and are planning a strategy for dealing with decertification. decertification would severely weaken the administration and that Samper is fearful that the certification process will reopen the "narco-tape" scandal, which indicated that the Samper electoral campaign accepted multimillion dollar contributions from the Cali cartel.

In making its case for certification, the Samper administration has argued that it has exceeded the Gaviria administration's last year in office on several antidrug fronts, including cocaine seizures, combined coca and opium eradication acreage, and precursor chemical seizures. The government also has pointed to its operations against the Cali cartel, its indictment of top Cali kingpins, and its plans to try Cali drug lord Miguel Rodriguez Orejuela in absentia. Samper, in an address to the nation on 7 February, also highlighted new legislation before Congress to criminalize money laundering and his establishment of a commission to recommend reforms to the country's plea bargain laws. The President also pledged to eliminate in two years

Colombia's illicit coca and opium crop and to improve government control over the trafficking hub of San Andres Island. Samper also repeated the long-standing claim that Colombia bears a disproportionate share of the antidrug effort and that consuming countries, including the United States, need to do more.

Decertification with a national interest waiver would be a major blow to Samper, who almost certainly would take it personally. In response, the administration would undoubtedly step up anti-US rhetoric to harness already high nationalist sentiment--as it did at the height of the "narco-tape" scandal--accusing the United States of meddling in Colombian affairs and of maintaining a double standard on the drug issue. Samper would face significant pressure from the legislature, where drug traffickers exercise considerable clout, and some Cabinet officials to forego all antidrug assistance from Washington, and he may threaten to curtail or terminate the activities of the US Drug Enforcement Administration in Colombia. According to a recent poll, for example, 78 percent of those surveyed believe Colombia should reject US aid in the event of conditional certification. However, while publicly decrying the US move, Samper probably would be restrained by possible criticism from the country's elites and businessmen, who value the US relationship, and he is likely to continue to bargain with US officials regarding criteria for recertification. Cabinet officials who are pressing Samper to reduce Colombia's dependence on the United States, such as Defense Minister Botero and Foreign Minister Pardo, would probably become less cooperative with the United States and try to convince Samper to scale back the US antidrug presence in Colombia.

Full decertification would give Samper little recourse but to reduce the counternarcotics relationship with Washington. The President would almost certainly seek to prove his independence from the United States by foregoing all US antidrug aid and severely reducing--or eliminating--DEA and other US counternarcotics programs in Colombia. Having less to lose from the United States, Samper would also be less inclined to intervene against narco-influenced legislation in the Congress. While not jeopardizing other bilateral issues where Samper has a personal stake--such as human rights--decertification would probably make Colombia less supportive of US policies on Cuba, proliferation, and ecology--issues over which Colombia, as the new chair of the Nonaligned Movement this fall, will wield increased clout. Moreover, while remaining committed to expanding Colombia's free trade agreements, Samper would probably write off NAFTA accession in the near term, concentrating instead on strengthening Latin American trade ties through the Andean Pact and MERCOSUR. As a result, bilateral investment treaty and intellectual property rights negotiations with the United States would probably stall.

Decertification would also weaken Samper politically. The potential loss of multilateral development loans would force the President to scale back his social program, which is the centerpiece of his domestic agenda, or risk heightened inflation

through deficit spending, threatening the loss of popular support. In a recent interview, the ruling Liberal Party president expressed concerns that members of Samper's Cabinet from the Conservative Party might withdraw if Colombia is decertified. Liberal members of the Cabinet who harbor presidential ambitions--such as Vice President De La Calle and Defense Minister Botero--probably would also try to distance themselves from Samper to avoid being tarred with the decertification brush, further eroding the President's ability to govern. Many, both inside and outside the government, would blame Samper--and his alleged drug ties--for ruining the US relationship. In a worst case, some officials could try to force Samper to step down by revealing "proof"--specious or valid--of trafficker financing of his campaign.

Peru

Peru appears far more attuned to the US narcotics certification process this year than it was in previous years and has stated that its antidrug performance should be fully certified. For example,

Lima would find anything short of unconditional certification "incomprehensible," given Peru's increased emphasis on counternarcotics during the past year.

certification only on national interest grounds would be badly received by President Fujimori and have a deleterious effect on overall US-Peruvian relations.

Although Fujimori has not personally lobbied for certification, his numerous and increasingly pointed comments on Peru's counternarcotics efforts strongly indicate that he expects the highest certification rating. At the same time,

Peru's failure to eradicate coca undercuts Lima's claims to unqualified certification.

To make the case for certification, Peruvian officials point to what they consider the broad expansion of Lima's counternarcotics efforts during the past year--including stepped-up antidrug activities by the military, increased anticorruption initiatives, and record seizures of coca products (see Table 3)--which they say more than outweighs failure to implement politically difficult eradication measures.

Lima has met four of the five conditions the United States identified last year as vital to receiving full certification, pointing to Lima's efforts to intercept drug-trafficking aircraft, arrest drug kingpins and dismantle their organizations, eradicate coca seedbeds, and interdict and destroy coca-processing labs.

despite its economic problems, Peru has devoted significant financial and personnel resources to counternarcotics, and last year continued an air interdiction program even after Washington suspended intelligence-sharing programs. Finally, Lima may contend that the national drug control strategy signed into law in September 1994 provides a realistic gameplan for controlling coca cultivation by means of a broad-based alternative development program.

Although Lima would be disappointed with and mildly critical of certification on national interest grounds, we doubt that such a ruling would provoke a serious or long-lasting backlash from Lima or dramatically strain bilateral relations. A national interest waiver probably would fuel Fujimori's suspicion that Washington is determined to keep him at arm's length, deepen his perception that the United States is an unreliable antidrug partner, and reinforce his tendency to develop and implement counternarcotics strategies with limited foreign input. If pressed publicly, he might characterize decertification with a waiver as inconsistent with the cooperative spirit of the Summit of the Americas. He probably would not resort to strident nationalism, however, for fear of creating new doubts about his international stature in the runup to the April presidential election. Moreover, because Fujimori has increasingly made counternarcotics a domestic priority, he probably would continue military and police counternarcotics activities--provided that the current border conflict with Ecuador subsides--step up anticorruption initiatives, and give tacit support to existing joint US-Peruvian antidrug programs. His reaction to a national interest waiver probably would be muted if he were convinced that the ruling was based mainly on Lima's failure to eradicate coca and was accompanied by general expressions of approval of Lima's other antidrug programs.

Full decertification almost certainly would provoke a very strong adverse public reaction by Fujimori and sour bilateral relations. Such a ruling would deepen Fujimori's belief that Washington is intent on embarrassing him and undercutting his administration in the runup to the election, which he is currently well positioned to win. In the wake of such a ruling, Fujimori probably would feel compelled to defend his counternarcotics performance publicly while further limiting his administration's contact with the US Embassy and the US Ambassador. Although decertification would not prompt Fujimori to abandon counternarcotics programs altogether, the effect of exclusively Peruvian--and very likely scaled-back--programs would be limited. In any case, we doubt that Fujimori would be overly alarmed about the economic implications of full decertification--unless the conflict with Ecuador drags on for more than a few weeks, calculating that growing private foreign investment and international support from Japan and Western Europe would offset any cutback in US assistance and allow Peru to overcome US opposition in seeking loans from international financial institutions.

Table 1: Counternarcotics Trends: Bolivia

	1994	1993	1992	1991	1990
Eradication (hectares)					
Coca	1,058	2,400	5,149	5,486	8,100
Narcotics Seizures (metric tons)					
Cocaine Hydrochloride (HCl)	0.68	0.31	0.70	0.32	0.16
Base	5.96	5.30	7.70	3.12	2.30
Total base and HCl	6.64	5.61	8.40	3.44	2.46
Precursor Chemical Seizures (barrels)[a]					
Acetone	99	23	71	65	178
Ether	54	21	17	54	106
Sulphuric acid	88	77	84	299	256
Total	241	121	172	418	540
Labs Destroyed					
Cocaine HCl	32	10	17	34	33
Base	1,891	1,300	1,393	1,461	1,446

[a] Through 30 November 1994.

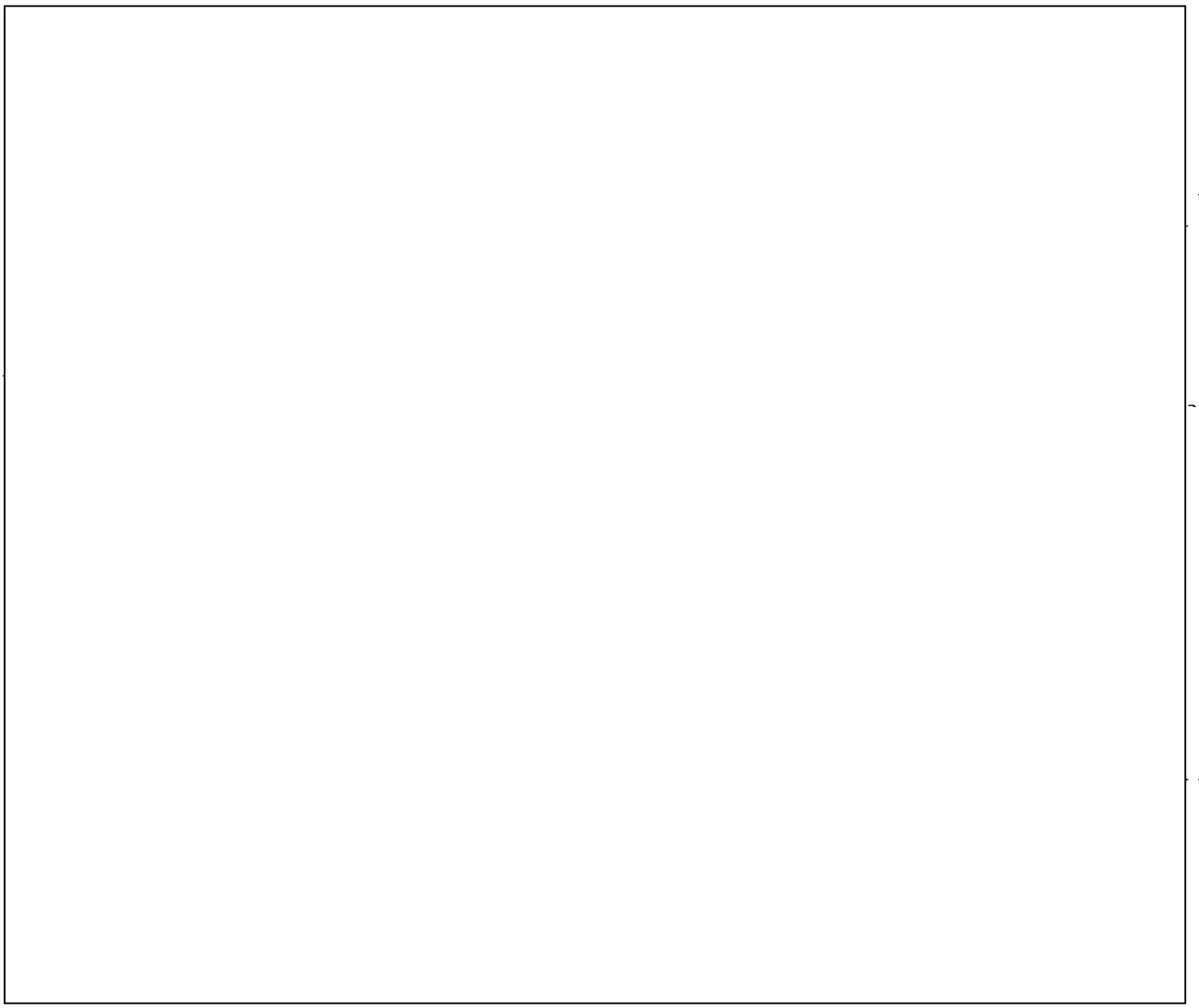
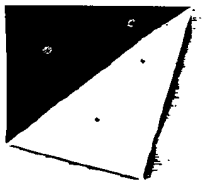


Table 3: Counternarcotics Trends: Peru

	1994[a]	1993	1992	1991	1990
Eradication (hectares)					
Coca	--	--	--	--	--
Narcotics Seizures (metric tons)					
Cocaine Hydrochloride (HCl)	0.057	0.47	0.23	0.76	NA
Base	8.58	5.30	6.70	4.41	NA
Total base and HCl	8.64	5.77	6.93	5.17	NA
Labs Destroyed					
Cocaine HCl	0	--	--	--	--
Base	15	38	88	89	151[b]

[a] Through 31 October 1994.

[b] Not broken down into Base and HCl before 1991.



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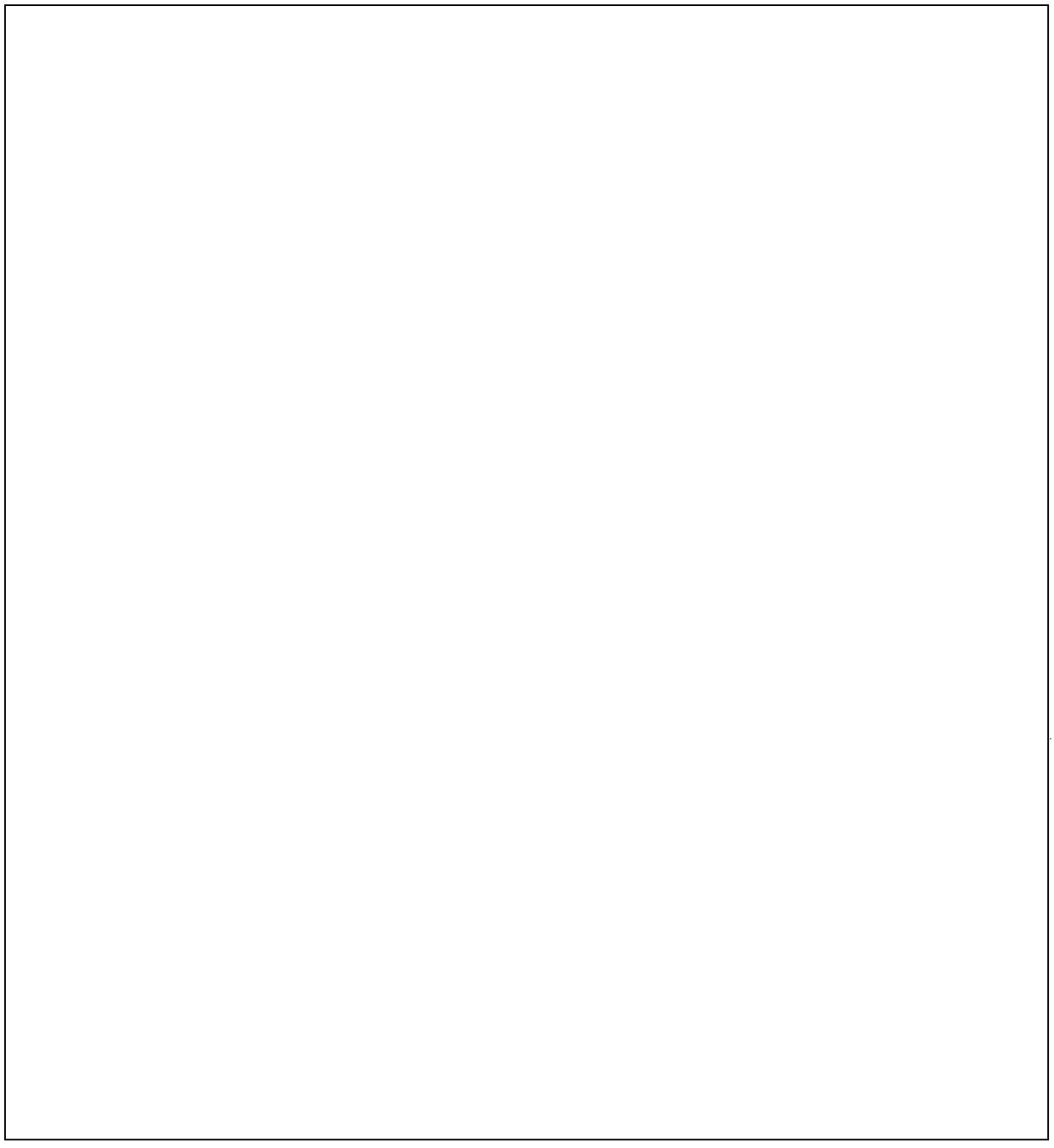

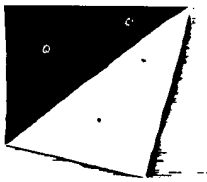

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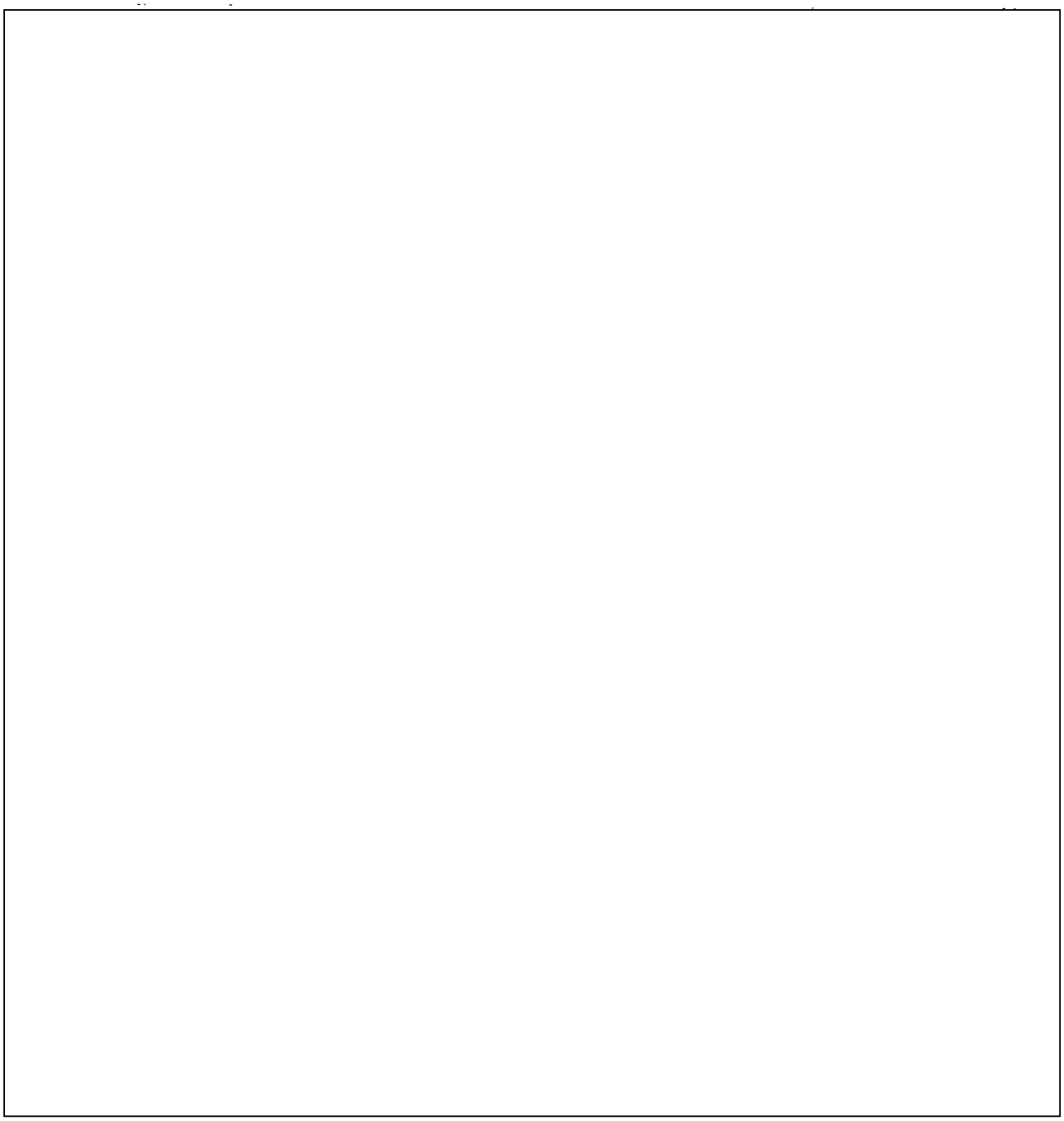

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